



LEWISVILLE

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City Secretary's Office

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SANTA FE, NM

February 15, 2016

**via FACSIMILIE (505) 954-2010 and Regular U.S. Mail**

Amy Leuders, Director  
Bureau of Land Management  
New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508

Bureau of Land Management  
New Mexico Office  
P.O. Box 27115  
Santa Fe, New Mexico 87502-0115

**RE: City of Lewisville's Protest of Proposed Auction of Oil and Gas Lease  
Parcel NM-201604-043**

Dear Ms. Leuders:

This letter is being submitted on behalf of the City of Lewisville, Texas ("Lewisville") to protest the proposed auction by the Bureau of Land Management ("BLM") of an oil and gas lease on Parcel NM-201604-043 comprising approximately 259 acres in and adjacent to Lewisville Lake, Denton County, Texas (the "Lewisville Lake Property"). The Lewisville City Council met in regular session on February 15, 2016, and authorized submission of this letter of protest. Lewisville hereby requests that BLM withdraw the Lewisville Lake Property from its April 20, 2016 auction.

Lewisville is protesting the proposed lease of the Lewisville Lake Property for the following reasons:

- Lewisville Lake is Lewisville's only supply source of water through wholesale agreements with Dallas Water Utilities. Oil and gas production, including fracking, at the Lewisville Lake Property poses a potential risk to surface water quality.
- The effects of oil and gas production, including fracking, on the longevity of Lewisville Dam have not been adequately considered. The Corps of Engineers has proposed to modify features at Lewisville Dam to reduce risks associated with dam operation and to extend the longevity of the dam. Although Lewisville does not anticipate imminent failure of Lewisville Dam, Lewisville does not support oil and gas production at the Lewisville Lake Property.



Both the City of Dallas and the City of Highland Village have submitted letters of protest with regard to the proposed sale of an oil and gas lease on the Lewisville Lake Property. Lewisville joins the cities of Dallas and Highland Village and incorporates their reasons for protesting said oil and gas lease sale on the Lewisville Lake Property.

For the reasons listed above, Lewisville submits this protest to the proposed sale of an oil and gas lease on the Lewisville Lake Property and requests that BLM withdraw the Lewisville Lake Property (Parcel NM-201604-043) from the April 20, 2016 auction. If you have any questions, please contact Donna Barron, City Manager, at (972) 219-3451.

Sincerely,

A handwritten signature in black ink, appearing to read "Rudy Durham", with a long, sweeping horizontal line extending to the right.

Rudy Durham, Mayor  
City of Lewisville, Texas

C: Donna Barron, City Manager

Attachments: City of Dallas Letter of protest dated February 9, 2016  
City of Highland Village Letter of protest dated February 10, 2016



February 9, 2016

*Via fax (505-954-2010) and U.S. mail*

Amy Leuders, Director  
Bureau of Land Management  
New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508

Bureau of Land Management  
New Mexico Office  
P.O. Box 27115  
Santa Fe, New Mexico 87502-0115

Re: Dallas Water Utilities' protest pursuant to 43 C.F.R. § 3120.1-3 of proposed auction by Bureau of Land Management ("BLM") of Parcel NM-201604-044 comprising approximately 259 acres in and adjacent to Lewisville Lake, Denton County, Texas (the "Lewisville Lake Property")

Dear Ms. Leuders:

I am the Director of Dallas Water Utilities (DWU), a department of the City of Dallas. DWU provides water and wastewater services to about 2.4 million people in Dallas and 27 nearby communities. One of DWU's primary water supply sources is Lewisville Lake in Denton County, Texas. DWU's service area extends to almost all of Denton County either directly or through its wholesale customers. As you may know, the U.S. Army Corps of Engineers ("Corps") operates Lewisville Lake to store DWU's water under a 1953 agreement with the City of Dallas. Pursuant to Article 3 of that agreement, the City has a "right to protect its water supply."

Although I regularly interact with the Corps and other federal agencies, I only recently discovered that the BLM will be conducting an oil and gas competitive lease sale in Santa Fe, New Mexico on April 20, 2016, which will include the Lewisville Lake Property. See BLM Notice of Competitive Lease Sale, Oil and Gas (January 20, 2016) (the "BLM Notice"). I am concerned that the proposed BLM action will interfere with DWU's mission to serve while protecting the health and safety of Dallas citizens and DWU's wholesale customers. In order to protect the public safety and water supply at Lewisville Lake, DWU hereby requests that the BLM withdraw the Lewisville Lake Property from its April 20, 2016 auction as authorized in the BLM Notice. This is the prudent course of action and consistent with the BLM's authority to "withdraw any and all parcels before the sale begins." See BLM Notice at p. iii.

**Oil and gas production at the Lewisville Lake Property poses a significant risk to surface water quality.** Surface water in the area in and around the land proposed to be auctioned flows

Our Vision: To be an efficient provider of superior water and wastewater service and a leader in the water industry.

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directly to Lewisville Lake. As a result, any spills or releases of oil and gas waste and their hazardous components have the potential to impact the drinking water of Dallas residents and DWU's wholesale customers. These direct impacts from oil and gas activities have not been adequately studied and represent an unacceptable level of risk to DWU. Hydraulic fracturing, a process often used in conjunction with directional drilling to make oil and gas wells productive, and related wastewater disposal is associated with an increased risk of seismicity. The BLM Notice (at 45) includes a stipulation from the Corps that appears to encourage "directional drilling" adjacent to and underneath Lewisville Lake for the proposed lease.

In a recent guidance document, the U.S. Environmental Protection Agency ("EPA") concluded that proximity of hydraulic fracturing activities to a drinking water resource increases the potential for impacts and that residents and drinking water resources are most likely to be affected by potential impacts. *See* U.S. EPA's draft "Assessment of the Potential Impacts of Hydraulic Fracturing for Oil and Gas on Drinking Water Resources" (June 2015). The potential impacts are both above and below ground, including "water withdrawals in times of, or in area with, low water availability; spills of hydraulic fracturing fluids and produced water; . . . below ground migration of liquids and gases; and inadequate treatment and discharge of wastewater." *Id.* at ES-6. The EPA further noted that in 151 spills from oil and gas production, surface water supplies were contaminated 9% of the time. *Id.* at ES-13. Property under and adjacent to Lewisville Lake is particularly high risk because of its proximity to large drinking water supply.

More specifically, the federally required Environmental Assessment ("EA") performed by BLM on October 2015 identifies a number of risks to drinking water supplies that would result from the auction sale of the Lewisville Lake Property, including the following:

- Increased surface runoff and off-site sedimentation brought about by soil disturbance.
- Increased salt loading and water quality impairment of surface waters.
- Contamination of surface waters by produced water.

EA at 56-58. The EA further recognizes that "hazardous and/or solid wastes may be used during the development phase," EA at 42, and "exploration/development of the proposed lease could have result in the introduction of hazardous and non-hazardous substances to the site." EA at 66.

Because of the environmental risks to surface water supplies resulting from the proposed oil and gas production adjacent to and under Lake Lewisville, DWU requests that the BLM withdraw the Lewisville Lake Property from its April 20, 2016 auction.

**Risks to the integrity of Lewisville Dam have not been adequately considered.** The Corps acknowledged that the Lewisville Dam is "high risk." *See* USACE Dam Safety Facts for Lewisville Dam (November 2015). The Corps is currently working diligently to address the Lewisville Dam safety issues. Nevertheless, DWU is very concerned about sending the



February 9, 2016

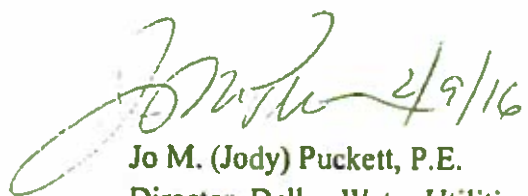
Page 3 of 3

Lewisville Lake Property to auction without consideration of crucial public safety issues. The EA performed by the BLM fails to account for any public safety or environmental impacts related to dam safety of the Corps' known issues at Lewisville Lake, so it is unclear whether the BLM properly considered the risks to Lewisville Dam. In addition, the Corps' current guidance for oil and gas activities in proximity to its dams, levees, and other facilities does not account for a dam with known safety issues, such as Lewisville Dam. Although DWU does not anticipate imminent failure of Lewisville Dam, DWU does not support activities such as oil and gas production with the potential to exacerbate the known safety issues at Lewisville Dam. Accordingly, BLM should withdraw the Lewisville Lake Property from auction.

DWU and other stakeholders have not been given an adequate opportunity to consider this proposal and voice their concerns. DWU received no notice from the BLM or any other federal agency regarding this oil and gas competitive lease sale. I understand that other stakeholders and many in the public were similarly surprised in the last week or so upon finding out about the BLM auction of the Lewisville Lake Property. In fact, the EA notes that the only notice to the public was being "posted online for a two week review period beginning August 31, 2015." EA at 73. Neither local governments nor the water-consuming public have had an adequate opportunity to review and consider the potential impacts of the BLM auction of the Lewisville Lake Property. For this reason alone, I am writing to you in haste requesting that the BLM withdraw the Lewisville Lake Property from the auction.

For the reasons listed above and others, please withdraw the Lewisville Lake Property from the April 20, 2016 auction, and contact me at the number below if you have any questions or concerns regarding this letter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jody Puckett", followed by the date "4/9/16".

Jo M. (Jody) Puckett, P.E.  
Director, Dallas Water Utilities  
City of Dallas  
214-670-3143

cc: COL Calvin C. Hudson II, District Commander, Fort Worth District  
Brian S. Kamisato, P.E., Deputy District Engineer  
Rob Jordan, Lake Manager, Lewisville/Ray Roberts Lakes



OFFICE OF THE MAYOR  
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February 10, 2016

Amy Leuders, Director  
Bureau of Land Management  
New Mexico State Office  
P.O. Box 27115  
Santa Fe, New Mexico 87502-0115

**Via Fax: (505) 954-2010 and  
First Class Mail**

Julie Ann Serrano, Lead Land Law Examiner  
Bureau of Land Management  
New Mexico State Office  
P.O. Box 27115  
Santa Fe, New Mexico 87502-0115

**Via Fax: (505) 954-2010 and  
First Class Mail**

**Re: City of Highland Village, Texas, Protest Pursuant to 43 C.F.R. §3120.1-3 of the Proposed Auction by the Bureau of Land Management ("BLM") of Parcel NM-201604-043, being 258.90 Acres Located in Denton County, Texas (Lewisville Lake)**

Dear Ms. Leuders and Ms. Serrano:

The City Council of the City of Highland Village, Texas met in regular session on February 9, 2016, and took the following affirmative action:

"I move to authorize the Mayor to prepare and execute on behalf of the City a letter in protest to the Bureau of Land Management's announced sale of mineral leases for a 258.90 acre tract of land adjacent to Lewisville Lake in Denton County, Texas with copies to the property owner and other appropriate interested parties".

The preceding motion was approved by a unanimous vote of seven (7) to zero (0).

The Highland Village City Council deliberated and received public comment on the proposed Bureau of Land Management (BLM) Gas Lease NM-201604-043, 258.90 Acres Located in Denton County, TX. (Lewisville Lake). The following items were identified as the City's interest in protesting this proposed lease:

- Lewisville Lake is the City of Highland Village's primary supply of potable water to our residents. The City Council took this affirmative protest action based on the concerns about the risks of fracking beneath Lewisville Lake and the potential contamination of drinking water.
- Lewisville Lake dam is currently undergoing repairs from the May 2015 storms. The Corps of Engineers has identified the following elements that need to be addressed:

reduce underseepage and probability of internal erosion of the earthen dam structure; improve slope stability and reduce probability of sliding of the earthen dam structure; repair infrastructure at the risk of being compromised by uplift and erosion; and portions of the dam may not be stable under higher pool loadings. The USACE is proposing to modify features at the Lewisville Lake Dam in order to reduce risk associated with dam operation and extend longevity of the dam. The City Council took this affirmative protest action based on the concerns of the risks of fracking beneath Lewisville Lake and the potential that seismic activity with associated fracking could exacerbate the identified risk.

The City of Highland Village has been advised that by letter dated February 9, 2016, from Jo. M. "Jody" Puckett, P.E., Director, Dallas Water Utilities, City of Dallas, Texas, addressed to Ms Leuders, the City of Dallas has also submitted as protest of the proposed auction of the above-referenced tract. The City of Highland Village is a raw water supply customer of the City of Dallas, the source of such raw water supply being Lewisville Lake. The City of Highland Village is also a treated water customer of the Upper Trinity Regional Water District, who, in turn, obtains its raw water supply from the water owned by the City of Dallas in Lewisville Lake. In addition to the issues serving as the basis for this protest, the City of Highland Village also joins the City of Dallas and incorporates its reasons for protesting the above-referenced lease of Parcel NM-201604-043.

For the reasons listed above, the City of Highland Village hereby submits this protest and objection to the proposed auction of a mineral lease of Parcel NM-201604-043, and respectfully requests that said parcel be withdrawn from the April 20, 2016 auction. If you have any questions please feel to contact Michael Leavitt, City Manager, City of Highland Village at (972) 899-5131.

Respectfully submitted,



Charlotte J. Wilcox, Mayor  
City of Highland Village, Texas

cc: COL Calvin C. Hudson II, District Commander, Fort Worth District  
Brian S. Kamisato, P.E., Deputy District Engineer  
Rob Jordan, Lake Manager, Lewisville/Ray Roberts Lakes  
Senator Jane Nelson  
Congressman Michael Burgess  
State Representative Tan Parker  
State Representative Ron Simmons  
Tom Taylor, Upper Trinity Regional Water District